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1 February 1958

CENT'RAL INTELLIGENCE BULLETIN



Next 5 Page(s) In Document Exempt

I. THE COMMUNIST BLOC

Soviet Views on Preparations for Summit Meeting

Soviet Ambassador Malik told British Acting Prime Minister Butler on 28 January that the Soviet views on the composition and date for a heads-of-government meeting are "elastic," but repeated the public Soviet position that a foreign ministers' conference should follow, rather than precede, a summit meeting. Malik said Moscow wants preparatory arrangements to be made through diplomatic channels.

Khrushchev's remark to the London <u>Times</u>, published 1 February, that the Soviet Union is willing to postpone a summit meeting, if the date of "within two to three months" suggested to the West in Bulganin's January letters is "too soon," is designed to underscore Soviet flexibility on this point.

The USSR has been encouraged by signs of Western disunity, particularly by British and French statements, and will probably continue to hold out for a summit meeting with a minimum of preparation. The Soviet leaders are apparently confident that mounting popular pressures on Western governments will eventually force the United States to drop its insistence on adequate preparatory work by a foreign ministers' conference as well as through diplomatic channels.

The absence of Soviet criticism of French Premier Gaillard's proposal that a foreign ministers' conference refrain from "substantive" discussion of issues suggests that Moscow might eventually agree to foreign ministers' talks if limited to such questions as composition, agenda, and other procedural matters.

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Chinese Communist Cabinet Shake-up

Communications Minister Chang Po-chun, Food Minister Chang Nai-chi, and Minister of Timber Industry Lo Lung-chi were removed from their posts on 31 January by the standing committee of the National People's Congress in Peiping. All three men have been under attack since last June for political deviation--including "opposition" to Communist party domination of the central government.

Three more ministers and four vice ministers have also been criticized recently in the Communist press. The minister of building materials industry has confessed "mistakes" in leadership which permitted counterrevolutionaries to penetrate subordinate offices in his ministry. The minister of education and the minister of marine products were under fire earlier for criticizing the Communist party.

Some of these men may possibly be dismissed by the National People's Congress which convenes on 1 February. Others are expected to lose their posts during the next few	
months of the "rectification" campaign.	
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Moscow Again Bids for Diplomatic Exchange With Laos

The USSR is again pressing Laos to exchange diplomatic missions. Soviet officials in Bangkok, who made the approach, probably timed it to counter the improved US-Laotian relations resulting from Premier Souvanna Phouma's visit to Washington. The USSR's longer range objective is to support the developing political and subversive campaign by the Pathet Lao now that it has given up its military efforts to gain power in Laos.

Laos may continue to delay a decision, at least until after the national elections for additional assembly seats to be held on 4 May. Souvanna would probably be embarrassed to default so quickly on assurances given in Washington and London, and he may also wish to assess the Pathet Lao's popular strength before running the risk entailed in accepting bloc embassies.

The Pathet Lao has surrendered its former ba			
in Sam Neua and Phong Saly Provinces. The Laot	ian	Army	
as of 29 January occupied key posts along the prov		es'	
porders with North Vietnam and Communist China	ø		

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Next 1 Page(s) In Document Exempt

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III. THE WEST

Outlook in Venezuela

The widespread civilian support of the Venezuelan governing junta may not last long as a result of the varied and often conflicting views of the political leaders. The announced unity among the four major parties, including the Communists, could break down in a struggle for representation in government and in unilateral efforts of the parties to extend their popular and labor support. Their principal unifying interest, since President Perez' ouster, apparently is the desire to expand civilian influence in government—a potential source of conflict with the military.

The Communists stand to gain by their membership in the four-party Patriotic Front and by the junta's policy of allowing the return of all exiles. They could become a powerful force in the labor movement by broadening the position they were allowed to retain under Perez, even if the military block the legalization of the party.

Although the junta plans to continue Venezuela's present petroleum policies, some political leaders are already calling for a revision or review. The nationalistic oil issue has current political appeal because US voluntary restrictions on oil imports, extended to all five US import districts by December 1957, have provoked considerable public resentment.

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